

TO: City Council

FROM: Rosemarie Ives

DATE: October 2, 2007

SUBJECT: ORDINANCE: 2007-2008 Budget Adjustment

I. RECOMMENDATION:

By motion, adopt the proposed ordinance amending the 2007-2008 Budget.
This is a housekeeping ordinance to:

1. Adjust General Fund departmental budget limits to reflect the salary and benefit increases as a result of labor contract settlements,
2. Recognize new revenue that has been received or awarded, and
3. Recognize and appropriate the difference between the actual and budgeted beginning fund balances for several of the City's Special Revenue Funds.

II. DEPARTMENT CONTACT:

Lenda Crawford, Finance and I.S. Director	556-2160
Christine Kim, Senior Financial Analyst	556-2188
Malisa Files, Financial Planning Manager	556-2166

III. DESCRIPTION:

This budget adjustment makes the following changes:

1. Transfers money from the salary and benefit contingency in Non-Departmental to departmental budgets to reflect market based adjustments for non-union employees and labor contract settlements with AFSCME, Fire, Fire Support, Police, and Police Support unions.

***Note: The Public Administration and Finance Committee has reviewed this document and recommended approval of the 2007-2008 Budget Adjustments as part of the Consent Agenda.**

Salary and benefit increases due to Labor Contract Settlements	
	Expenditures
001 - GENERAL FUND	
Reduce Salary and Benefit Contingency (Non-Dept.)	(3,243,044)
<u>Salary and benefit budget increases:</u>	
Executive Department	5,772
Finance/I.S. Department	8,438
Fire Department	2,342,198
Human Resources Department	7,548
Legal Department	2,934
Parks Department	40,017
Planning Department	8,374
Police Department	764,953
Public Works Department	62,810
Total	0

2. Recognizes \$1,780,223 in **new revenue** sources which consist of grants, developer paid overtime, developer contributions, a legal settlement and rent.

General Fund - \$137,700

Planning Department:

- \$3,500 State grant to help pay for the Overlake Neighborhood Plan;
- \$7,500 in 4Culture grants for a historic survey and inventory and a school bell restoration and interpretive display; and
- \$26,000 in developer paid overtime for building inspectors. (This fee generated revenue is charged to developers when they specifically request inspections outside regular work schedules.)

Fire Department:

- \$100,700 in developer contributions due to a permit condition that requires the applicant to purchase a low clearance vehicle for a new privately developed garage. This vehicle will be used by the Fire department at the garage site as well as other places at the direction of the department.

Operating Grants Fund - \$441,400

Two commute trip reduction grants and a Congestion Management Air Quality (CMAQ) grant will be used in existing commute trip reduction and air quality programs.

Human Services Fund - \$39,923

Social Enterprise Project funds transferred from the Family Resource Center to the City for programs serving children and youth.

Park CIP Fund - \$469,200

Grant money from the Department of Ecology for Grass Lawn Phase III renovation.

Transportation CIP Fund - \$692,000

- \$275,000 in settlement dollars from Entranco, which will be used for the West Lake Sammamish Parkway/Leary Way project;
- \$210,000 in developer contributions for the East Lake Sammamish Parkway rehabilitation and the NE 40th Street Corridor Study; and
- \$207,000 in rent money from the Trinity building.

3. Recognizes and appropriates the difference between the actual and budgeted beginning fund balances for several of the City's Special Revenue Funds as shown in the table below.

Difference between the Actual and Budgeted Beginning Fund Balances				
Fund #		2007-08 Actual Beginning Fund Balance	2007-08 Budgeted Beginning Fund Balance	Difference Requiring Adjustment to 2007-08 Beg. Fund Balance Budgets
Number	Fund			
00110	Recreation Activity Fund	558,096	587,726	(29,630)
00111	Arts Activity	214,127	229,873	(15,746)
00112	Parks Maintenance & Operations Fund	414,143	341,450	72,693
00113	Special Events Fund	0	11,954	(11,954)
00117	Cable Access Fund	927,776	947,619	(19,843)
00118	Operating Grants Fund	2,333,646	2,520,890	(187,244)
00119	Human Services Fund	53,547	47,664	5,883
00122	Advanced Life Support (ALS)	0	265,686	(265,686)
00131	Hotel/Motel Tax Fund	319,044	288,752	30,292
00140	Solid Waste and Recycling Fund	586,503	540,799	45,704

IV. FISCAL IMPACT:

Adoption of this ordinance will increase the City's 2007-2008 Budget by \$1,404,691 from \$601,499,038 to \$602,903,729 as shown in the following table.

Adjustments for Amendment #4

Fund Number	Fund Name	Salary & Benefit Adjustments	New Revenues	Beg Fund Bal Adjustments	Total Amendment
00001	General Fund				
	City Council				
	Executive	5,772			5,772
	Finance/I.S.	8,438			8,438
	Fire	2,342,198	100,700		2,442,898
	Human Resources	7,548			7,548
	Legal	2,934			2,934
	Non-Departmental	(3,243,044)			(3,243,044)
	Parks	40,017			40,017
	Planning	8,374	37,000		45,374
	Police	764,953			764,953
	Public Works	62,810			62,810
00001	Total General Fund	0	137,700		137,700
00110	Recreation Activity			(29,630)	(29,630)
00111	Arts Activity			(15,746)	(15,746)
00112	Parks Maintenance and Operations			72,693	72,693
00113	Special Events			(11,954)	(11,954)
00115	Microsoft Dev Review Supp. Emp.				
00117	Cable Access			(19,843)	(19,843)
00118	Operating Grants		441,400	(187,244)	254,156
00119	Human Services		39,923	5,883	45,806
00120	Fire Equipment Reserves				
00121	Operating Reserves				
00122	Advanced Life Support			(265,686)	(265,686)
00124	Aid Car Donation				
00125	Real Estate Excise Tax				
00126	Drug Enforcement				
00127	Capital Equipment Reserve				
00130	Business Tax				
00131	Hotel Motel Tax			30,292	30,292
00140	Solid Waste and Recycling			45,704	45,704
00230	Excess Levy				
00233	Debt Service				
00314	Council CIP				
00315	Parks CIP		469,200		469,200
00316	Transportation CIP		692,000		692,000
00317	Fire CIP				
00318	Police CIP				
00319	General Government CIP				
00352	Parks Acquisition				
00353	1993 GO Bond Fire				
00401	Water/Wastewater Operations				
00402	UPD Water/Wastewater Operations				
00403	Water/Wastewater CIP				
00405	Stormwater Management Operations				
00406	Stormwater Management CIP				
00407	UPD Water/Wastewater CIP				
00501	Fleet Maintenance				
00510	Insurance Claims and Reserves				
00511	Medical Self Insurance				
00512	Worker's Compensation Insurance				
00520	Information Technology				
	Total Adjustments	\$0	\$1,780,223	(\$375,532)	\$1,404,691
	2007-08 Budget				601,499,038
	Revised 2007-08 Budget				\$602,903,729

V. ALTERNATIVES:

1. Adopt the ordinance as proposed.
2. Adopt with modifications recommended by Council.
3. Do not adopt the ordinance. There will be no additional funds to support programs already in process as well as the City will not be in compliance with budgeting and accounting policies and procedures.

VI. LIST OF ATTACHMENTS:

Attachment A: Ordinance: 2007-2008 Budget Adjustment
Exhibit 1: Summary of 2007-08 Budget Adjustments

/s/ Lenda Crawford, Director of Finance & Info Services Date: 9/21/2007

Approved for Council Agenda:

/s/ Rosemarie Ives, Mayor

Date: 9/24/2007

ATTACHMENT A

ORDINANCE NO. _____

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, MAKING ADJUSTMENTS TO THE CITY'S BUDGET, AMENDING ORDINANCE NO. 2316 AS AMENDED BY ORDINANCE 2328, 2342, AND 2364.

WHEREAS, the Finance Director has identified the need to make certain revisions to the 2007-2008 biennial City budget, and the City Council has reviewed the proposed adjustment and has determined that it should be made, now therefore,

THE CITY COUNCIL OF THE CITY OF REDMOND, WASHINGTON, DO ORDAIN AS FOLLOWS:

Section 1. Ordinance No. 2316 adopting the 2007-2008 biennial budget, passed by the City Council on December 19, 2006 and as amended by Ordinance No. 2328, 2342, and 2364 is hereby amended to reflect changes in General Fund departmental budget limits due to salary and benefit increases as a result of labor contract settlements, to recognize new revenues that have been received and awarded to the City, and to recognize and appropriate the difference between the actual and budgeted beginning fund balances for several of the City's Special Revenue Funds. The amendment is set forth in Exhibit 1 attached hereto and incorporated herein by the reference as if set forth in full.

Section 2. Severability. If any section, sentence, clause, or phrase of this ordinance should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity of any other section, sentence, clause, or phrase of this ordinance.

Section 3. Effective Date. This ordinance, being an exercise of a power specifically delegated to the city legislative body, is not subject to referendum, and shall take

effect five (5) days after passage and publication of an approved summary thereof consisting of the title.

CITY OF REDMOND

MAYOR, ROSEMARIE IVES

ATTEST/AUTHENTICATED:

CITY CLERK, MALISA FILES

APPROVED AS TO FORM:
OFFICE OF THE CITY ATTORNEY

By: _____

FILED WITH THE CITY CLERK:
PASSED BY THE CITY COUNCIL:
SIGNED BY THE MAYOR:
PUBLISHED:
EFFECTIVE DATE:
ORDINANCE NO.: _____

Exhibit 1
Summary of 2007-08 Budget Adjustments

Fund Number	Fund Name	2007-08 Adopted Budget (Ord 2316)	Amendment #1 to Budget (Ord 2328)	Amendment #2 to Budget (Ord 2342)	Amendment #3 to Budget (Ord 2364)	Amendment #4 to Budget (Ord ____)	Revised 2007-08 Budget
00001	General Fund	127,319,932					127,319,932
	<i>Transfer to CIP</i>			(614,000)			
	<i>Parks Dept Budget</i>			614,000			
00001	Total General Fund	127,319,932		0	5,346,607	137,700	132,804,239
00110	Recreation Activity	4,344,726			(20,690)	(29,630)	4,294,406
00111	Arts Activity	598,827			20,690	(15,746)	603,771
00112	Parks Maintenance and Operations	1,899,473				72,693	1,972,166
00113	Special Events	673,902				(11,954)	661,948
00115	Microsoft Dev Review Supp. Emp.		6,090,607			(19,843)	6,070,764
00117	Cable Access	1,438,619					1,438,619
00118	Operating Grants	3,964,464				254,156	4,218,620
00119	Human Services	1,239,532				45,806	1,285,338
00120	Fire Equipment Reserves	3,952,358					3,952,358
00121	Operating Reserves	6,583,636					6,583,636
00122	Advanced Life Support	10,071,432				(265,686)	9,805,746
00124	Aid Car Donation	153,826					153,826
00125	Real Estate Excise Tax	15,313,407					15,313,407
00126	Drug Enforcement	79,571					79,571
00127	Capital Equipment Reserve	4,720,605			169,000		4,889,605
00130	Business Tax	12,325,464					12,325,464
00131	Hotel Motel Tax	779,427				30,292	809,719
00140	Solid Waste and Recycling	1,460,024				45,704	1,505,728
00230	Excess Levy	1,552,198					1,552,198
00233	Debt Service	1,592,945					1,592,945
00314	Council CIP	7,025,001		(614,000)			6,411,001
00315	Parks CIP	10,328,570				469,200	10,797,770
00316	Transportation CIP	85,245,957				692,000	85,937,957
00317	Fire CIP	5,155,448					5,155,448
00318	Police CIP	2,975,712			700,000		3,675,712
00319	General Government CIP	13,139,347					13,139,347
00352	Parks Acquisition	194,396					194,396
00353	1993 GO Bond Fire	82,203					82,203
00401	Water/Wastewater Operations	63,004,996					63,004,996
00402	UPD Water/Wastewater Operations	18,231,119					18,231,119
00403	Water/Wastewater CIP	19,845,215					19,845,215
00405	Stormwater Management Operations	67,574,045					67,574,045
00406	Stormwater Management CIP	51,458,659					51,458,659
00407	UPD Water/Wastewater CIP	6,758,904					6,758,904
00501	Fleet Maintenance	10,488,526					10,488,526
00510	Insurance Claims and Reserves	2,808,222					2,808,222
00511	Medical Self Insurance	17,376,203					17,376,203
00512	Worker's Compensation Insurance	1,913,911					1,913,911
00520	Information Technology	7,061,971			(925,949)		6,136,022
Total		\$590,732,773	\$6,090,607	(\$614,000)	\$5,289,658	\$1,404,691	\$602,903,729

Notes:

- Ordinance #2316 establishing the 2007-08 budget was approved December 19, 2006.
- Ordinance #2328 amended the adopted budget. Ordinance added the Microsoft Development Review Supplemental Employee Fund (115).
- Ordinance #2342 amended the adopted budget. Ordinance moved \$614,000 (\$307,000 per year) of the Gen Fund 5% transfer in the Council CIP to the Parks Department in the General Fund to help pay for maintenance of projects completed prior to 2007.
- Ordinance #2364 amended the adopted budget. Housekeeping ordinance to recognize 1) Technical corrections to correctly record the transactions necessary to reflect Council budget decisions approved in the 2007-08 budget, and 2) Reappropriation of the General Fund unspent but committed dollars at the end of the 2005-06 biennium.